

**Submission by the National Milk Producers Federation  
And the U.S. Dairy Export Council**

**In Response to  
Federal Register Docket No. 2017-10063  
Regarding  
Request for Comments on Reorganization of the U.S. Department of Agriculture**

The National Milk Producers Federation (NMPF) and the U.S. Dairy Export Council (USDEC) appreciate the opportunity to present their views and input regarding objectives for negotiations on the proposed reorganization of the U.S. Department of Agriculture (USDA).

NMPF is the national farm commodity organization that represents dairy farmers and the dairy cooperative marketing associations they own and operate throughout the United States. USDEC is a non-profit, independent membership organization that represents the export trade interests of U.S. milk producers, proprietary processors, dairy cooperatives, and export traders. The Council's mission is to build global demand for U.S. dairy products and assist the industry in increasing the volume and value of exports.

The current organization of trade responsibilities in USDA was established in 1994 as part of a Department-wide reorganization. As a result, the position of Under Secretary for International Affairs and Commodity Programs was given a new title – Under Secretary for Farm and Foreign Agricultural Services. While the role of the Under Secretary did not change substantially, the importance of trade within the mission area was seen by many as having been diminished.

The Under Secretary's responsibility was first and foremost to implement domestic farm programs established by Congress in farm bills. International trade responsibilities were not given priority except in cases of urgent situations (e.g., trade disputes or disease outbreaks). It was difficult for one person to handle both sets of issues, whether due to workload or to the knowledge and experience skill-set required.

But beginning around the same time, the importance of trade to American farmers and ranchers, as well as to the food and fiber industries, was becoming more apparent and the number and severity of trade problems was growing rapidly. It became clear to many in the agricultural sector – including our industry – that trade was too important and the issues too wide-ranging to be the responsibility of an individual also responsible for commodity programs.

This will be especially important as the administration proceeds with its goal of negotiating many bilateral free trade agreements in the months and years to come. In addition, they are critical on a day-to-day basis in working to resolve the myriad of SPS and technical barriers to trade that the U.S. government works to address with a number of countries around the world. It is imperative that our regulators are fully engaged with trade agency staff to obtain the best possible scenario for U.S. companies who are at risk of sales disruptions and even losses.

For these reasons we supported legislation in the 2014 Farm Bill requiring the Secretary of Agriculture to develop a plan to create an Under Secretary of Trade and we support the decision of the Department as part of Executive Order 13781 to carry this out.

One issue that we and many other agricultural organizations felt needed to be addressed in this process was the fact that a number of agencies in USDA engaged in international activities have been outside the purview of the Under Secretary of Farm and Foreign Agricultural Services. Our desire has been to have a single point of contact and responsibility for all international activities, including regulatory matters, which have become increasingly important in global trade. In this area, we encourage USDA to consider further steps than those proposed to date in order to ensure that the reorganization sufficiently achieves this goal.

Sanitary and phytosanitary matters nearly always have an international component. Domestic prevalence of animal and plant pest and diseases may either arise from foreign origins or can adversely affect our exports, often by unjustified foreign regulatory responses. Approvals of products of biotechnology or other new production technologies have clear international trade implications. Food safety issues and concerns here and abroad can also result in trade barriers – sometimes justified, but often not. And the use of unjustified standards as nontariff barriers has affected our ability to export to many markets around the world. It should also be noted that the work of many international standards-setting bodies, including the Codex Alimentarius Commission and the International Office of Epizootics (OIE), have major implications for our trade.

For the above reasons, we believe the new Under Secretary should have direct control and access to all USDA agency resources necessary to deal with such matters and therefore we urge that the trade-relevant portions of the Animal Plant Health Inspection Service (APHIS), the Food Safety Inspection Service (FSIS), and the Agricultural Marketing Service (AMS) be transferred to the Under Secretary of Trade mission area.

Moreover, we urge that this individual be tasked with the responsibility of addressing how export challenges pertaining to food and agricultural products governed by the Food and Drug Administration can be resolved in an effective and timely manner. FDA has primary oversight authority over dairy products, as well as other food sectors. A lack of resources and mandate for exports have limited FDA's work on trade issues pertaining to dairy products. The importance of working hand in hand with other interagency partners to resolve export challenges is critically important to the goal of growing U.S. jobs and exports. Devising a strategy to overcome this gap will be a critical part of the role the new Under Secretary should fill.